



Reprinted
February 26, 2002

ENGROSSED SENATE BILL No. 1

DIGEST OF SB 1 (Updated February 25, 2002 12:04 PM - DI 75)

Citations Affected: IC 2-2.1; IC 2-7.

Synopsis: Lobbyist registration. Provides for a reduction in the annual lobbyist registration fee if a lobbyist files all lobbying reports electronically. Increases the maximum civil penalties the lobby registration commission may impose. Changes the date by which legislators are required to file a statement of economic interests to not later than January 31 of each year. Changes the date that a lobbyist must file an activity report for the second half of the previous calendar year from to not later than January 31 to not later than January 15.

Effective: July 1, 2002.

Clark

(HOUSE SPONSORS — KUZMAN, ULMER)

November 20, 2001, read first time and referred to Committee on Ethics.
January 24, 2002, reported favorably — Do Pass.
January 28, 2002, read second time, ordered engrossed.
January 29, 2002, engrossed.
February 1, 2002, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 5, 2002, read first time and referred to Committee on Elections and Apportionment.
February 21, 2002, reported — Do Pass.
February 25, 2002, read second time, amended, ordered engrossed.

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ES 1—LS 6294/DI 75+



Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED SENATE BILL No. 1

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 2-2.1-3-2, AS AMENDED BY P.L.205-1999,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]: Sec. 2. (a) Not later than ~~seven (7) calendar days~~
4 ~~following the first session day in~~ January **31** of each year, every
5 member of the general assembly shall file with the principal clerk of
6 the house or secretary of the senate, respectively, a written statement
7 of the member's or candidate's economic interests for the preceding
8 calendar year listing the following:
9 (1) The name of the member's or candidate's employer and the
10 employer of the member's or candidate's spouse and the nature of
11 the employer's business. The house of representatives and senate
12 need not be listed as an employer.
13 (2) The name of any sole proprietorship owned or professional
14 practice operated by the member or candidate or the member's or
15 candidate's spouse and the nature of the business.
16 (3) The name of any partnership of which the member or
17 candidate or the member's or candidate's spouse is a member and



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the nature of the partnership's business.

(4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.

(5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.

(6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:

(A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.

(B) Any proprietorship, partnership, corporation, or limited liability company listed under subdivision (2), (3), or (4) and the nature of the licensure or regulation.

The requirement to file certain reports with the secretary of state or to register with the department of state revenue as a retail merchant, manufacturer, or wholesaler shall not be considered as licensure or regulation.

(7) The name of any person whom the member or candidate knows to have been a lobbyist in the previous calendar year and knows to have purchased any of the following:

(A) From the member or candidate, the member's or candidate's sole proprietorship, or the member's or candidate's family business, goods or services for which the lobbyist paid in excess of one hundred dollars (\$100).

(B) From the member's or candidate's partner, goods or services for which the lobbyist paid in excess of one thousand dollars (\$1,000).

This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8.

(8) The name of any person or entity from whom the member or candidate received the following:

(A) Any gift of cash from a lobbyist.

(B) Any single gift other than cash having a fair market value

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in excess of one hundred dollars (\$100).

However, a contribution made by a lobbyist to a charitable organization (as defined in Section 501(c) of the Internal Revenue Code) in connection with a social or sports event attended by legislators need not be listed by a member of the general assembly unless the contribution is made in the name of the legislator.

(C) Any gifts other than cash having a fair market value in the aggregate in excess of two hundred fifty dollars (\$250). Campaign contributions need not be listed. Gifts from a spouse or close relative need not be listed unless the donor has a substantial economic interest in a legislative matter.

(9) The name of any lobbyist who is:

(A) a member of a partnership or limited liability company;

(B) an officer or a director of a corporation; or

(C) a manager of a limited liability company;

of which the member of or candidate for the general assembly is a partner, an officer, a director, a member, or an employee, and a description of the legislative matters which are the object of the lobbyist's activity.

(10) The name of any person or entity on whose behalf the member or candidate has appeared before, contacted, or transacted business with any state agency or official thereof, the name of the state agency, the nature of the appearance, contact, or transaction, and the cause number, if any. This requirement does not apply when the services are rendered without compensation.

(11) The name of any limited liability company of which the member of the general assembly, the candidate, or the member's or candidate's individual spouse has an interest.

(b) Before any person, who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information required to be reported.

SECTION 2. IC 2-7-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) Each lobbyist shall file annually with the commission a registration statement under oath

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1 accompanied by the registration fee required by this section.

2 (b) Except as provided in subsection (c), the registration fee is:

3 **(1) fifty dollars (\$50) if the lobbyist files all reports required**
 4 **under this article electronically; and**

5 **(2) one hundred dollars (\$100) if subdivision (1) does not apply.**

6 (c) The registration fee of a lobbyist that satisfies either of the
 7 following is fifty dollars (\$50):

8 (1) The lobbyist is a nonprofit organization exempt from federal
 9 income taxation under Section 501(c)(3) or 501(c)(4) of the
 10 Internal Revenue Code.

11 (2) The lobbyist:

12 (A) is an employee of a lobbyist described in subdivision (1);
 13 and

14 (B) performs lobbying services for the employer as part of the
 15 lobbyist's salaried responsibilities.

16 **If a lobbyist to which this subsection applies files all reports**
 17 **required under this article electronically, the registration fee is**
 18 **twenty-five dollars (\$25).**

19 SECTION 3. IC 2-7-2-2 IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) Each registration statement
 21 shall be filed not later than January 15 or within fifteen (15) days after
 22 the registrant becomes a lobbyist, whichever is later. Each registration
 23 statement expires on December 31 of the year for which it was issued.
 24 The commission may accept registration statements before January 1
 25 of the year to which they apply, as the commission determines.

26 (b) Subject to subsections (c) and (d), the commission shall impose
 27 a late registration fee of ten dollars (\$10) per day for each day after the
 28 deadline until the statement is filed.

29 (c) The late registration fee shall not exceed one ~~hundred thousand~~
 30 ~~dollars (\$100)~~ **(\$1,000).**

31 (d) The commission may waive the late registration fee if the
 32 commission determines that the circumstances make imposition of the
 33 fee inappropriate.

34 SECTION 4. IC 2-7-3-2 IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) One (1) activity report shall
 36 be filed not later than July 31, covering the period from January 1
 37 through June 30. The other activity report shall be filed not later than
 38 January 31, ~~15~~, covering the period from July 1 through December 31
 39 of the immediately preceding calendar year.

40 (b) Subject to subsections (c) and (d), the commission shall impose
 41 a penalty of ten dollars (\$10) per day for each day that the person fails
 42 to file any report required by this chapter until the report is filed.



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(c) The penalty shall not exceed one ~~hundred thousand~~ dollars ~~(\$100)~~ **(\$1,000)** per report.

(d) The commission may waive the penalty if the commission determines that the circumstances make imposition of the penalty inappropriate.

SECTION 5. IC 2-7-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) If the commission after a hearing conducted under IC 4-21.5-3 finds that:

(1) a statement or report required to be filed under this article was materially incorrect;

(2) the person filing the report was requested to file a corrected statement or report; and

(3) a corrected statement or report has not been filed;

the commission may invoke sanctions under subsection (b).

(b) If under subsection (a) the commission is authorized to invoke sanctions under this subsection, the commission may do either or both of the following:

(1) Revoke the registration of the person who has failed to file a corrected statement or report.

(2) Assess a civil penalty on that person in an amount not to exceed five ~~hundred thousand~~ dollars ~~(\$500)~~ **(\$5,000)**.

SECTION 6. IC 2-7-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The commission may impose either or both of the following sanctions if, after a hearing under IC 4-21.5-3, the commission finds that a lobbyist failed to file a report with a member of the general assembly required by IC 2-7-3-6:

(1) Revoke the registration of the lobbyist.

(2) Assess a civil penalty against the lobbyist. A civil penalty assessed under this subdivision may not be more than five ~~hundred thousand~~ dollars ~~(\$500)~~ **(\$5,000)**.

(b) In imposing sanctions under subsection (a), the commission shall consider the following:

(1) Whether the failure to file the report was willful or negligent.

(2) Any mitigating circumstances.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Ethics, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 1 as introduced.)

CLARK, Chairperson

Committee Vote: Yeas 4, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Elections and Apportionment, to which was referred Senate Bill 1, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

MOSES, Chair

Committee Vote: yeas 12, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 1 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 2-2.1-3-2, AS AMENDED BY P.L.205-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) Not later than ~~seven (7) calendar days following the first session day in~~ January **31** of each year, every member of the general assembly shall file with the principal clerk of the house or secretary of the senate, respectively, a written statement of the member's or candidate's economic interests for the preceding calendar year listing the following:

- (1) The name of the member's or candidate's employer and the employer of the member's or candidate's spouse and the nature of the employer's business. The house of representatives and senate need not be listed as an employer.
- (2) The name of any sole proprietorship owned or professional practice operated by the member or candidate or the member's or candidate's spouse and the nature of the business.
- (3) The name of any partnership of which the member or candidate or the member's or candidate's spouse is a member and the nature of the partnership's business.
- (4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.
- (5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.
- (6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:
 - (A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.
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(b) Before any person, who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information required to be reported."

Page 2, line 24, strike "31," and insert "**15**,"

Re-number all SECTIONS consecutively.

(Reference is to ESB 1 as printed February 22, 2002.)

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